



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Certified Mail/Return Receipt Requested

July 21, 1998

Joseph Waldholtz
20395-016, B-1
PO Box 1000
Montgomery, PA 17752

RE: MURs 4322 and 4650
Joseph Waldholtz

Dear Mr. Waldholtz:

Based on a complaint filed with the Federal Election Commission on 8 March, 1996, the Commission, on 17 June, 1997, found that there was reason to believe you knowingly and willfully violated 2 U.S.C. § 432(b)(3), 2 U.S.C. § 434(b), 2 U.S.C. § 441a(a)(1)(A) and (a)(3), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 2 U.S.C. § 441g and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief that you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

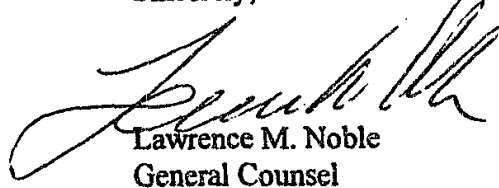
If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

Joseph Waldholtz
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A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but *not more than* 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,


Lawrence M. Noble
General Counsel

Enclosure
Brief

99 "04" 394 "2655

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)

MURs 4322 and 4650

Joseph P. Waldholtz

)

GENERAL COUNSEL'S BRIEF

I. BACKGROUND

Enid Greene Waldholtz (hereinafter "Enid Greene") won the 1994 election for Congress in Utah's Second Congressional District. According to reports filed with the Federal Election Commission during that election, Enid Greene spent almost \$2 million of her personal funds on her campaign. Hers reportedly was the most expensive congressional campaign of that election cycle. Her former husband, Joseph P. Waldholtz, was the treasurer of her 1994 campaign committee, Enid '94, and her 1996 reelection committee, Enid '96. Around November of 1995, an investigation conducted by the Federal Bureau of Investigation and the U.S. Attorney's Office for the District of Columbia showed that the funds injected into Enid Greene's congressional campaign as personal funds in fact came from her millionaire father, Dunford Forrest Greene (hereinafter "D. Forrest Greene.")¹

MUR 4322 was generated by an 8 March, 1996 complaint filed by Michael H. Chanin, Esq., counsel for Enid '94 and Enid '96 committees, alleging that Joseph Waldholtz was the one responsible for making and misreporting the contributions. Specifically, the complaint alleged that, unbeknownst to Enid Greene and D. Forrest Greene, Waldholtz knowingly and willfully

¹ D. Forrest Greene is a millionaire stock broker who had a seat on the Pacific Stock Exchange in San Francisco, California. During the activity in question, D. Forrest Greene spent most of his time in San Francisco and commuted to Salt Lake City on some weekends.

made eighty excessive contributions totaling at least \$1.8 million dollars to Enid '94 and Enid '96 out of the \$4 million fraudulently obtained from D. Forrest Greene.² The vast majority of the contributions either were made in the name of Enid Greene or were unreported disbursements for campaign expenses. MUR 4650 was generated from information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(1) and (2).

On 17 June, 1997, the Commission found reason to believe that Joseph Waldholtz knowingly and willfully violated the following provisions of the Act: 2 U.S.C. § 432(b)(3), by commingling campaign funds with personal funds; 2 U.S.C. § 434(b), by failing to report numerous contributions and for filing inaccurate reports; 2 U.S.C. § 441a(a)(1)(A) and (a)(3), by making contributions in excess of the \$1,000 limit per election and the overall annual \$25,000 limit; 2 U.S.C. § 441a(f), by knowingly accepting contributions and making expenditures in violation of the limitations imposed by section 441a; 2 U.S.C. § 441b(a), by accepting a \$1,000 corporate contribution from Keystone Productions, Inc.; 2 U.S.C. § 441f, by making contributions in the name of another, or by knowingly assisting in the making or accepting such contributions; and 2 U.S.C. § 441g, by making cash contributions in excess of \$100. On 27 June, 1997 in conjunction with the reason to believe notification, the Commission issued

² The Waldholtz controversy was heightened when on 11 November, 1995, Joseph Waldholtz fled Washington, D.C. during the FBI investigation. Shortly thereafter, Enid Greene removed Waldholtz as treasurer, assumed the position herself, and retained the national accounting firm of Coopers & Lybrand to conduct a forensic reconstruction of the campaign records of both committees. The complaint was based on the Coopers & Lybrand analysis. Prior to filing the complaint, on 31 January, 1996, Enid Greene, as treasurer of both of her committees, filed 1995 Year End Reports for Enid '94 and Enid '96 and notified the Commission's Reports Analysis Division of inaccuracies in the committees' reports. RAD was also advised of the Coopers & Lybrand effort and that the committees would be filing amendments to the reports.

document and deposition subpoenas to Joseph Waldholtz. His deposition was taken on 13 August, 1997.

After completing its investigation into these matters, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Joseph Waldholtz knowingly and willfully violated 2 U.S.C. § 432(b)(3), 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 2 U.S.C. § 441g.

II. FACTUAL AND LEGAL ANALYSIS

A. Overview

On 21 December, 1993, Enid Greene filed a Statement of Candidacy for the U.S. House of Representatives for the Second District of Utah, and designated Enid '94 as her principal campaign committee for the 8 November, 1994 election.³ Waldholtz was designated treasurer.⁴ During Enid Greene's 1994 campaign, her committee, Enid '94, reported almost \$2 million in contributions to her campaign as her personal funds. The majority of the funds (over \$1.1 million) appeared in the months close to the election: nearly \$26,000 in July, \$64,500 in August, \$570,500 in September, \$250,000 in October and another \$269,000 in November. These funds enabled Enid Greene to buy substantial amounts of television time and send out personalized direct mailings targeting her competitors. Enid Greene won the 1994 election with 46 percent of

³ Enid Greene narrowly lost to Democrat Karen Shepherd in a campaign for the same congressional seat in 1992. She spent \$313,000 on that campaign and ended up more than \$170,000 in debt.

⁴ Enid Greene met Joseph Waldholtz in the Summer of 1991. In June of 1992, Joseph Waldholtz moved to Utah to help run Enid Greene's unsuccessful 1992 campaign and portrayed himself as a millionaire. They were married in August of 1993 in Salt Lake City, Utah. Waldholtz told Enid Greene that he was a beneficiary of an over \$300 million Waldholtz Family Trust and that he had given her \$5 million as a wedding gift. In her 1994 public official disclosure form, Enid Greene showed assets of \$4.5 million.

the vote. In January of 1995, Enid Greene was sworn in as a Member of Congress, and she and Joseph Waldholtz moved to Washington, D.C.

Shortly thereafter, Enid Greene began to develop her 1996 re-election campaign. On 9 February, 1995, she established a campaign checking account in the name of Enid '96 at First Security Bank in Salt Lake City, Utah, and on 31 July, 1995, Enid '96 was established as her principal campaign committee for the 1996 election with Waldholtz as treasurer. On 5 March, 1996, Enid Greene announced that she would not run for re-election.

Following the 1994 election, federal criminal investigators began an inquiry into Enid Greene's 1994 campaign based on questions raised in Utah about the source of the large sums of money Enid Greene was reported to have spent on her campaign. On 11 November, 1995, Joseph Waldholtz, as treasurer of Enid Greene's campaign committees, had promised to clear up matters regarding the questionable contributions to Enid '94 committee by bringing in executors of his family's trust from Pittsburgh, Pennsylvania to show that the funds were lawful. However, when he went to National Airport to pick up the purported executors, he disappeared and a warrant was subsequently issued for his arrest. Enid Greene filed for divorce three days later, on 14 November, 1995. Joseph Waldholtz surrendered to federal authorities six days later on 17 November, 1995. On 12 December, 1995, Enid Greene held a five-hour news conference in Salt Lake City, Utah, declaring herself the unwitting victim of a con man husband who embezzled money, defrauded banks and violated federal election laws.⁵

⁵ Enid Greene is an attorney. Available information shows that as law student she took a class in election law in which she was exposed to campaign finance, among other topics, and that she served on the law review. She also was State and National Chairman of the Young Republicans, an affiliate group of the Republican National Committee. She graduated from law school in 1983. Since law school, Enid Greene has been employed as a litigation associate in a law firm, as deputy chief of staff to Utah Governor Norman H. Bangerter and as a corporate attorney.

The U.S. Attorney's Office in Washington, D.C. initiated a formal investigation, and Joseph Waldholtz was indicted on 2 May, 1996 on 27 counts of bank fraud.⁶ He pleaded guilty to bank, election and tax fraud in the U.S. District Court in Washington, D.C. on 5 June, 1996 and was sentenced to 37 months in prison on 7 November, 1996. Enid Greene was granted a divorce from Joseph Waldholtz on 5 June, 1996.

B. Law

The Federal Election Campaign Act of 1971, as amended ("the Act") requires a political committee to file periodic reports identifying each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions total more than \$200 within the calendar year, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(A). The Act also requires a political committee to file periodic reports identifying the name and address of each person who has received any disbursement over \$200 within the calendar year, together with the date and amount of any such disbursement. 2 U.S.C. § 434(b)(6)(A). The Commission's regulations at section 104.14(d) provide that each treasurer of a political committee, and any other person required to file any report or statement under these regulations and under the Act, shall be personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. 11 C.F.R. § 104.14(d).

⁶ On 1 May, 1996, D. Forrest Greene filed a lawsuit against Joseph Waldholtz for misuse of the \$4 million at issue. Joseph Waldholtz invoked the Fifth Amendment in response to D. Forrest Greene's complaint. Based on Joseph Waldholtz's response and his failure to respond to D. Forrest Greene's request for summary judgment, the court granted summary judgment in favor of D. Forrest Greene on 25 July, 1996, and Waldholtz was ordered to repay the almost \$4 million to D. Forrest Greene.

Section 441a of the Act prohibits any person from making contributions to any candidate or an authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). This provision also prohibits any individual from making contributions aggregating more than \$25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). Section 441a also provides that no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section. 2 U.S.C. § 441a(f).

Section 441b of the Act makes it unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation to consent to any contribution or expenditure by the corporation. 2 U.S.C. § 441b(a).

The Act also provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. 2 U.S.C. § 441f. The Commission's regulations also provide that no person shall knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(iii).

The Act also provides that all funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual. 2 U.S.C. § 432(b)(3).

The Act further provides that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate,

exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office. 2 U.S.C. § 441g.

The Commission's regulations provide that candidates for Federal office may make unlimited expenditures from personal funds. Personal funds include assets jointly owned with the candidate's spouse. The portion of the joint asset that shall be considered personal funds of the candidate shall be that portion which is the candidate's share by instrument(s) of conveyance or ownership. If no specific share is designated, the value of one-half of the property used shall be considered as personal funds of the candidate. 11 C.F.R. § 110.10.

C. Facts

Information available to the Commission shows that Joseph Waldholtz knowingly and willfully misreported or failed to report eighty contributions totaling at least \$1,821,543 to Enid '94 and Enid '96 committees.⁷ Each of the eighty contributions was over \$1,000. The contributions were concealed in several ways. Twenty-eight contributions totaling at least \$984,000 were reported in Enid Greene's name. Eleven contributions totaling \$18,325 were made in cash and not reported to the Commission.⁸ Forty-one contributions totaling at least \$819,218 were made by transferring funds directly between personal checking accounts under Joseph Waldholtz's control and Enid '94 and Enid '96 campaign accounts. These contributions were not reported to the Commission.

⁷ The vast majority of the contributions, \$1,752,688, were made to Enid '94. Of that amount, \$1,569,413 (consisting of 56 separate contributions) was made in 1994 and \$167,450 (consisting of seven separate contributions) was made to Enid '94 in 1995. A total of \$68,850 (consisting of 17 separate contributions) was made to Enid '96 in 1996.

⁸ Of this amount, \$15,825 was contributed to Enid '94 and \$2,500 was contributed to Enid '96.

The available information also shows that of the forty-one contributions made by transferring funds between personal checking accounts and campaign accounts, Joseph Waldholtz knowingly and willfully commingled at least \$91,957 of those funds with his own personal funds or those of his relatives. Waldholtz carried out the commingling scheme in various ways. In a series of transactions, Waldholtz transferred a total of \$63,374 directly from Enid '94 and Enid '96 campaign accounts into personal bank accounts. For example, on 4 April, 1994, Waldholtz authorized a wire transfer of \$4,200 from the Enid '94 account to his personal Merrill Lynch account in Pittsburgh. Similarly, on 31 March, 1994 and 25 May, 1995, respectively, Waldholtz authorized wire transfers of \$3,000 from Enid '94 account to his mother's account and \$2,000 from Enid '96 account to his grandmother's account. In addition, on four occasions, Waldholtz deposited 36 campaign contribution checks to Enid '94 totaling \$2,883 into his personal checking account. On twelve occasions, he withdrew a total of \$6,200 in cash from Enid '94 and Enid '96 by using checks made out to "Cash." On seven occasions, he withdrew a total of \$5,500 from Enid '94 and Enid '96 accounts by making checks out to himself and then either cashing them or depositing them into his personal accounts. On three occasions, he also withdrew a total of \$8,000 out of the Enid '94 and Enid '96 accounts by writing checks payable to Enid Greene and then depositing the checks into one of their joint personal bank accounts. Those checks were deposited into the Congressional Federal Credit Union account without Enid Greene's endorsement. Finally, on two occasions, Waldholtz used \$6,000 from campaign accounts to pay personal VISA credit card debt by using a debit memo to transfer \$5,000 and a \$1,000 counter check.

The information further shows that on the 1994 April Quarterly Report, Joseph Waldholtz falsely identified as contributors forty-three (43) individuals who either do not exist or did not contribute to Enid '94. The inclusion of the "ghost contributors" caused that report to overstate the amount of contributions received by \$66,450. Waldholtz also failed to report two \$1,000 contributions to Enid '94 from two individuals and an additional eight contributions in excess of \$200. Waldholtz also reported on the 1995 July 31 Mid - Year Report for Enid '96 that he made a \$1,000 contribution on 1 May, 1995. However, no such contribution was made. In addition, Waldholtz accepted or received a \$1,000 corporate contribution from Keystone Promotions, Inc. as an individual contribution by F. Richard Call, the owner of Keystone. Finally, Waldholtz may have improperly used his personal credit cards to pay for legitimate campaign expenses.

Joseph Waldholtz acknowledges that the money used to finance Enid Greene's campaigns came from D. Forrest Greene. Information provided in the complaint, information gathered in the course of the investigation and Joseph Waldholtz's deposition testimony show the following additional pertinent facts:

1. D. Forrest Greene's Transfers to Joseph Waldholtz and Enid Greene

Sometime in mid-January of 1994, shortly after Enid Greene established her 1994 campaign, she and Joseph Waldholtz visited her father, D. Forrest Greene, at his home in Salt Lake City, Utah and requested \$60,000 from him. Gerda Greene, Enid Greene's mother, was also present. Waldholtz requested the money in order to assist his mother who was mentally ill and was undergoing financial problems. On 21 January, 1994, D. Forrest Greene provided the \$60,000 to Waldholtz by wire transfer to Waldholtz's account in Pennsylvania. About a week later, Waldholtz requested additional funds from D. Forrest Greene by telephone. On

1 February, 1994, D. Forrest Greene wrote a check for \$24,000. This check was made out to Joseph Waldholtz and Enid Greene and was deposited into one of their joint accounts.

Thereafter, Joseph Waldholtz or Enid Greene periodically telephoned D. Forrest Greene at D. Forrest Greene's San Francisco office and requested additional funds. D. Forrest Greene transferred the money to Joseph Waldholtz and Enid Greene's joint bank accounts. The funds were then used to finance Enid Greene's campaigns. As shown in the chart below, D. Forrest Greene made an additional 22 transfers of funds to Joseph Waldholtz and Enid Greene. The funds were provided by wire transfers (17 of them) or by personal checks (5 of them). The checks were mailed to Joseph Waldholtz. (Joseph Waldholtz Dep. at page 109). The majority of the funds (\$2.1 million of the \$4 million) was transferred between August and November of 1994, in the three months prior to the 1994 election. Over \$1.1 million appeared in Enid '94 disclosure reports as Enid Greene's personal funds and \$552,000, unreported, was used to pay campaign expenses during this period.⁹

⁹ Available information shows that much of the \$1.8 million was used for television and media advertising for Enid Greene's 1994 campaign during this period. For example, between August and October of 1994, Enid '94 spent a total of \$873,145 on political advertising with Wilson Grand Communications, a national political media consulting firm. Notably, only \$45,043 was spent in August of 1994, while \$356,869 and \$471,232 were spent in September and October of 1994, respectively.

FUND TRANSFERS FROM D. FORREST GREENE

Date of Check or Wire	Personal Check or Wire Transfer	Amount	Account Deposited to	Date of Deposit
1/21/94	WT	\$60,000.00		1/21/94
2/1/94	PC	\$24,000.00		2/4/94
4/29/94	PC	\$56,000.00		5/4/94
5/9/94	PC	\$60,000.00		5/11/94
5/16/94	PC	\$75,000.00		5/17/94
6/21/94	WT	\$80,000.00		6/21/94
7/7/94	WT	\$150,000.00		7/7/94
7/7/94	WT	\$10,000.00		7/7/94
8/8/94	WT	\$83,000.00		8/8/94
8/25/94	PC	\$55,000.00		8/25/94
9/2/94	WT	\$187,000.00		9/2/94
9/12/94	PC	\$150,000.00		9/14/94
9/19/94	WT	\$381,000.00		9/19/94
10/18/94	WT	\$336,000.00		10/18/94
10/21/94	WT	\$400,000.00		10/21/94
10/28/94	WT	\$350,000.00		10/28/94
11/8/94	WT	\$69,000.00		11/8/94
11/14/94	WT	\$200,000.00		11/14/94
1/9/95	WT	\$275,000.00		1/9/95
4/11/95	WT	\$408,000.00		4/11/95
7/18/95	WT	\$13,000.00		7/18/95
8/15/95	WT	\$250,000.00		8/15/95
8/15/95	WT	\$7,426.00		8/15/95
10/12/95	WT	\$308,000.00		10/12/95
TOTAL		\$3,987,426.00		

* Joint Accounts of Joseph P. Waldholtz and Enid Greene

Copies of the canceled checks and the wire transfer documents show that the majority of the checks and wire transfers were made out to Joseph Waldholtz and Enid Greene jointly and were deposited into their joint checking accounts. A few of the wire transfers were made out to Joseph Waldholtz solely: the 21 January, 7 July, and 8 August, 1994, and the 11 April, 1995 wire transfers. A 21 June, 1994 wire transfer in the amount of \$80,000 was made out to Enid Greene solely. These wire transfers were all deposited into their joint accounts.

2. Asset Swap

Sometime in late August or early September of 1994, when the campaign needed more money in the final months before the election, Waldholtz advised Enid Greene that all of the Waldholtz Family Trust funds were frozen, including the \$5 million that Waldholtz had given her, because of a lawsuit regarding the administration of the Trust. Waldholtz then informed Enid Greene that he owned real estate in Pittsburgh, and that Enid Greene was entitled to one-half. (Joseph Waldholtz Dep. at pages 146-48). Purportedly, the property was worth \$2.2 million dollars and there was a ready buyer. Waldholtz and Enid Greene then proceeded to obtain funds from D. Forrest Greene with the understanding that Mr. Greene would be repaid from an assignment of the sale proceeds of Enid Greene's portion of the property (\$1.1 million). There was no record or documentation of the assignment. As it turned out, there was no real estate.

Information shows that Joseph Waldholtz was able to carry out the transactions discussed above, in part, because he had access to several joint personal checking accounts with Enid Greene in addition to the campaign accounts mentioned above. The personal checking accounts were opened initially either as joint accounts or were opened by Enid Greene or Waldholtz

individually, and the other was subsequently added to the accounts. The accounts generally were opened on or after 19 May, 1993 and were closed in November, 1995.¹⁰ Waldholtz also had access to, and control over, three additional personal banking accounts of relatives at financial institutions in his hometown, Pittsburgh, Pennsylvania. One of those bank accounts was in Waldholtz's name, the other bank account was in the name of his mother, Barbara Waldholtz, and the third bank account was in the name of his grandmother, Rebecca Levenson.

D. Analysis

The evidence clearly establishes that Joseph Waldholtz engaged in numerous election law violations. In the plea agreement with the U. S. Attorney's Office signed on 3 June, 1996, Joseph Waldholtz admitted to violations of the Act. Specifically, he admitted to falsifying, signing, and filing the 1994 Year End Report for Enid '94 with the Commission. He also affirmed that in 1994, D. Forrest Greene deposited approximately \$2,800,000 into his and Enid Greene's personal bank accounts and that almost \$1,800,000 of that money was transferred to Enid '94. He also admitted that he subsequently reported on various FEC Reports, including the 1994 Year End Report, that the funds were Enid Greene's personal assets. Finally, he admitted that he included "ghost contributors" on reports filed with the Commission on behalf of the Enid '94 committee.

The violations in this matter arose from the same activity and include some of the same issues addressed in the criminal case. The violations are supported by considerable documentation and a detailed analysis conducted by Coopers & Lybrand, an independent accounting firm. In particular, the evidence shows that Joseph Waldholtz misreported or failed

¹⁰ One account was opened by Enid Greene on 8 October, 1986, Waldholtz was added to the account on 29 October, 1993, and it was closed in November 1995.

to report eighty excessive contributions totaling at least \$1,821,543 to Enid '94 and Enid '96. Each of the eighty contributions were over \$1,000. The contributions were concealed in several ways. Twenty-eight contributions totaling at least \$984,000 were reported in the name of Enid Greene. Forty-one contributions totaling at least \$819,218 were made by transferring funds directly between personal checking accounts under Waldholtz's control and Enid '94 and Enid '96 campaign accounts and were not reported to the Commission. Lastly, eleven contributions totaling \$18,325 were made in cash and also were not reported to the Commission. The evidence also shows that Joseph Waldholtz commingled committee funds with his own personal funds and/or those of his relatives, and failed to report the disbursements to the Commission. In addition, the evidence shows that on the 1994 April Quarterly Report, Waldholtz falsely identified as contributors forty-three individuals who either do not exist or did not contribute to Enid '94. Waldholtz also failed to report two \$1,000 contributions to Enid '94 from two individuals, and an additional eight contributions from individuals in excess of \$200. Finally, Waldholtz accepted or received a \$1,000 corporate contribution from Keystone Promotions, Inc. as an individual contribution by F. Richard Call, the owner of Keystone.

In conclusion, Joseph Waldholtz admitted to the violations in this matter at his deposition. (Joseph Waldholtz Dep. at pages 92, 152, 156, 160, 162, 164-65). Therefore, there is probable cause to believe that Joseph Waldholtz knowingly and willfully violated the following provisions of the Act: 2 U.S.C. § 432(b)(3), by commingling campaign funds with personal funds, 2 U.S.C. § 434(b), by misreporting and failing to report numerous contributions or expenditures; 2 U.S.C. § 441a(f), by knowingly accepting contributions and making expenditures in violation of the limitations imposed by section 441a; 2 U.S.C. § 441b(a), by accepting a

\$1,000 corporate contribution from Keystone Productions, Inc.; 2 U.S.C. § 441f, by knowingly accepting or assisting in the making of contributions in the name of another; and 2 U.S.C. § 441g, by making cash contributions in excess of \$100.

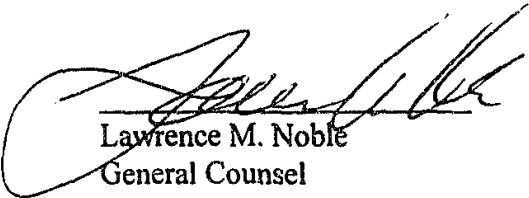
The Commission initially found reason to believe that Joseph Waldholtz violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3). However, as the funds at issue were not Waldholtz's funds, the investigation by this Office yielded insufficient information to support a probable cause finding that Waldholtz made the excessive contributions at issue. Accordingly, this Office recommends that the Commission find no probable cause to believe that Joseph Waldholtz violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe that Joseph Waldholtz knowingly and willfully violated the following provisions of the Act: 2 U.S.C. § 432(b)(3), 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 2 U.S.C. § 441g.
2. Find no probable cause to believe that Joseph Waldholtz violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3).

Date

7/20/98


Lawrence M. Noble
General Counsel